

REMARKS/ARGUMENTS

This Amendment is responsive to the Office Action mailed on March 31, 2008. In this Amendment, Claims 52-62 are added, so that Claims 1-62 pending and subject to examination.

A number of rejections are provided in the Office Action. They are discussed in the order presented in the Office Action. As explained below, the claims are not anticipated (or obviated) by the cited art.

I. Examiner Interview

Applicants thank Examiner Lastra for the telephonic interview granted on July 22, 2008. Pursuant to M.P.E.P. §713.04, Applicants respectfully submit the following Applicants' Summary of Interview: Claims 1-51 were discussed during the interview.

II. Section 102 Rejections

Claims 1-24, 26-35 and 37-51 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application 2003/0158818 to George et al. ("George et al."). Applicants traverse this rejection for the reasons discussed below.

A. Anticipation has not been established, since George et al. fails to describe each and every element in the claims

Anticipation has not been established, since *George et al.* fails to describe each and every element in the claims. "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). MPEP § 2131. For example, *George et al.* fails to teach or suggest the following limitations in claim 1:

determining a plurality of incentives that are eligible for application to the transaction, the eligibility based on at least one product; [and]

determining one or more incentives from the plurality of incentives to apply to the transaction

The other independent claims recite somewhat similar limitations.

The Office Action cites paragraph [0047] as teaching these features. *Office Action*, page 2, paragraph 3. Paragraph [0047] is reproduced below.

[0047] The manner in which such loyalty programs function may be illustrated with specific examples. First, consider a *loyalty program in which points are given for every dollar spent at any of a plurality of stores having diverse retail practices, such as a clothing chain, a hardware chain, and a restaurant chain*. A customer who uses a card bearing a logo for the aggregator that manages this program accumulates points at any of the stores and may exchange the accumulated points for goods at any of the stores. For example, the customer may make a series of purchases at the hardware chain over a period of time and may subsequently redeem the points for dinner at a restaurant that forms part of the restaurant chain. This is an example of a purely monetary loyalty program that operates by the individual chains determining how to allocate point values among themselves to accommodate their respective benefits of participating in the program. This is also an example where different money-point correlation rates may be appropriate to account for differences in retail practices among the merchants.

While paragraph [0047] does describe a program that accumulates points for dollars spent at different stores, this "is an example of a purely monetary loyalty program." The purely monetary loyalty program is not "determining a plurality of incentives that are eligible for application to the transaction, the eligibility based on at least one product" and "determining one or more incentives from the plurality of incentives to apply to the transaction." In fact, the word "incentives" is not mentioned in paragraph [0047]. If the Examiner still believes that paragraph [0047] mentions a "plurality of incentives" and "determining one or more incentives from the plurality of incentives," then Applicants request that the Examiner refer to specific language in paragraph [0047] so that Applicants can respond appropriately.

During the interview, the Examiner also referred to paragraphs [0043] and [0032] of *George et al.* as describing these features. Paragraph [0043] is reproduced below.

[0043] For each of the loyalty programs, rewards may be accumulated in at least three ways. First, rewards may be *based on recency criteria*, in which a reward is triggered either by

completing a transaction within a specified time interval or by completing a specified number of transactions within a given time interval. Second, rewards may be *based on frequency*, in which a reward is triggered by completing a specified number of transactions. Third, rewards may be *monetarily based* so that a reward is triggered when a specified total transaction amount is reached. Such triggers may be specified for individual transactions or may be specified for accumulated transaction amounts over multiple transactions.

In paragraph [0043], *George et al.* states that that "rewards may be accumulated in at least three ways." It does not describe determining a plurality of incentives and determining one or more incentives from the plurality of incentives.

Paragraph [0032] is reproduced below.

[0032] If both the customer and merchant participate in any loyalty program operated by the loyalty system, the appropriate loyalty process is executed at block 316 in accordance with the arrangements for that particular merchant and/or that particular customer. Such execution may include making a decision to provide a reward to the customer immediately at the point of sale. A determination is made at block 320 whether the transaction requires authorization from an authorization authority 220. Examples of transaction types that require authorization include credit and debit transactions; examples of transaction types that do not require authorization include use of a stored-value card or coupon, and payment by cash with presentment of a dedicated loyalty card. If necessary, authorization for the transaction is sought at block 324 and an evaluation of the response is made at 332. If the transaction is declined, the loyalty transaction is backed out at block 340 and the payment response is returned to the point-of-sale terminal 208 at block 344.

Like the previous paragraphs, this passage from *George et al.* does not describe does not describe determining a plurality of incentives and determining one or more incentives from the plurality of incentives.

Since even the passages cited by the Examiner fail to describe "determining a plurality of incentives and determining one or more incentives from the plurality of incentives,"

anticipation has not been established and the rejection should be withdrawn. For these reasons, *George et al.* does not anticipate the claims.

C. *Dependent Claims 2-11, 13-20, 22-24, 26-29, 31-35, 38-41, 43-47, and 49-51 are patentable*

Applicants' dependent claims are allowable based on their dependence on the independent claims and further because they recite numerous additional patentable distinctions over the *George et al.* For example, Claim 14 recites "determining a highest incentive value from the calculated incentive values" and "applying an incentive with the highest incentive value." (emphasis added)

The Office Action cites paragraph [0043] as teaching these features. Paragraph [0043] of *George et al.* states that "rewards may be monetarily based so that a reward is triggered when a specified total transaction amount is reached." It does not describe "determining a highest incentive value from the calculated incentive values" and "applying an incentive with the highest incentive value."

Accordingly, Applicants also respectfully request reconsideration and allowance of dependent Claims 2-11, 13-20, 22-24, 26-29, 31-35, 38-41, 43-47, and 49-51.

III. Section 103 Rejections

Claims 25 and 36 are rejected under 35 U.S.C. § 103(a) as being unpatentable over *George et al.* in view of U.S. Patent No. 6,594,640 to Postrel. Applicants traverse this rejection. Claims 25 and 36 are allowable as they depend from allowable independent claims, and because they recite additional features which make them allowable over the art.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,



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